

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 2 — 0 3

2. STATE:

MICHIGAN

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

February 1, 2002

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 440.40 and 440.70

7. FEDERAL BUDGET IMPACT:

a. FFY 2002 \$ -0-
b. FFY 2003 \$ -0-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Supplement to Attachment 3.1-A pages 13, 18,
18a and 19; and, Attachment 4.19-B, pages 2c
and 8

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Supplement to Attachment 3.1-A pages 13, 18,
18a-c, and 19; and Attachment 4.19-B, pages
2c, 8 and 9

10. SUBJECT OF AMENDMENT:

Private Duty Nursing

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☒ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

James K. Haveman, Jr.

14. TITLE:

Director

15. DATE SUBMITTED:

3/14/2002

16. RETURN TO:

Michigan Department of Community Health
Federal Liaison Section
6th Floor Lewis Cass Building
320 South Walnut Street
Lansing, Michigan 48913

ATTENTION: Nancy Bishop

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

3-15-02

18. DATE APPROVED:

5/31/02

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

2-1-02 PH

20. SIGNATURE OF REGIONAL OFFICIAL:

Cheyl A. Harris

21. TYPED NAME:

Cheryl A. Harris

22. TITLE:

Associate Regional Administrator
Division of Medicaid and Children's Health

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of Michigan

AMOUNT, DURATION AND SCOPE OF MEDICAL AND REMEDIAL CARE
SERVICES PROVIDED TO THE CATEGORICALLY AND MEDICALLY NEEDY

- 4b. The EPSDT program is available to all Medicaid beneficiaries under the age of 21. This program was established to detect and correct or ameliorate defects and physical and mental illnesses and conditions discovered in children.

EPSDT visits are recommended according to the periodicity schedule by the American Academy of Pediatrics.

EPSDT services are provided as defined in section 1905 (r) (5) of the Act. Medically necessary screening, preventive services and treatment will be covered under other appropriate service categories.

Of the services listed on 3.1-A preprint pages of the State Plan, religious non-medical health care nursing services (formerly Christian Science nurses' services) and private duty nursing services may be prior authorized by the single state agency for beneficiaries under the age of 21 years when the following requirements are met:

- the beneficiary requires continuous skilled nursing care on a daily basis and is either dependent daily on technology-based medical equipment to sustain life or has had frequent episodes of medical instability within the past 3 to 6 months, requiring skilled nursing assessments, judgments or interventions due to a substantiated progressively debilitating physical disorder
- the beneficiary is eligible for Medicaid in the home/community setting; and appropriate nursing services, considering the beneficiary's health and medical care needs, can be safely provided in the home/community setting
- the beneficiary, his/her family (or guardian), the beneficiary's physician, the Medicaid case manager, and the care giving nurse have collaborated and developed an integrated plan of care that identifies and addresses the beneficiary's need for nursing services

Determinations regarding the quantity of services provided will consider the beneficiary's care needs which establish medical necessity for nursing services, the beneficiary's and family's circumstances, and other resources available to provide or pay for the daily care.

Blood lead follow-up services are not listed in the preprint pages but are covered for children discovered to be lead burdened. Epidemiological investigations and in-home education visits are covered for lead burdened children.

TN # 02-03

Approved _____

Effective Date 02-01-02

Supersedes
TN # 94-08

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of Michigan

AMOUNT, DURATION AND SCOPE OF MEDICAL AND REMEDIAL CARE
SERVICES PROVIDED TO THE CATEGORICALLY AND MEDICALLY NEEDY

7. HOME HEALTH CARE SERVICES (Same for categorically needy and medically needy beneficiaries)

a. Covered Services

The services and items listed below are covered when provided to a beneficiary in his/her place of residence and ordered by the beneficiary's physician as part of a comprehensive written plan of care, which is reviewed by the physician at least every 60 days. An exception to this rule applies to medical supplies and durable medical equipment when provided by a Medicaid enrolled medical supplier. For these items, the physician must review the medical need on an annual basis.

Medicaid will not cover any services provided by a home health agency rendered to beneficiaries in a hospital, nursing facility including nursing facility for mentally ill (NF/MI) or intermediate care facility for mentally retarded (ICF/MR).

- 1) Intermittent or part-time nursing services provided by a Medicaid enrolled home health agency. In areas where no home health agency exists, nursing services may be covered when provided by a registered nurse who:
 - is licensed to practice in Michigan;
 - receives written orders from the beneficiary's physician;
 - documents the services provided; and,
 - has received instructions in acceptable clinical and administrative record keeping from a public health department nurse.
- 2) Home health aide services are not covered for beneficiaries in a home for the aged or adult foster care facility. Such services are already provided as part of residential care.
- 3) Medical supplies, equipment and appliances suitable for use in the home. A Medicaid enrolled home health agency is allowed to provide a select number of medical supply items. Medical supplies, durable medical equipment and oxygen suitable for use in the home are covered when provided by a Medicaid enrolled medical supplier. The following outlines Medicaid policies for a medical supplier dispensing items.

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of Michigan

AMOUNT, DURATION AND SCOPE OF MEDICAL AND REMEDIAL CARE
SERVICES PROVIDED TO THE CATEGORICALLY AND MEDICALLY NEEDY

Medical Supplies

Coverages include: Hypodermic syringes/needles, ostomy supplies, dressings necessary for the medical management of the beneficiary, etc.

Certain items require prior authorization.

Exclusion: Incidental first-aid supplies (e.g., adhesive bandages).

Freedom of choice of providers is waived in authority with 1915 (a) for diapers and selected incontinence supplies (medical devices) in acceptance of certification that adequate services and devices will be provided. Diapers and selected incontinence supplies must be obtained from the State's contractor.

Durable Medical Equipment

Durable medical equipment (DME) is a benefit for beneficiaries under age 21. DME is a benefit for beneficiaries age 21 or older under the following conditions:

- When a beneficiary is enrolled in Medicare Part B, and Medicare has made payment on the equipment, Medicaid may cover the coinsurance and/or deductible amounts, as described in 3.2-A.
- When the equipment is needed to prevent frequent hospitalization or institutionalization, is life sustaining, or replaces a malfunctioning body member, Medicaid may cover the equipment.

Prior authorization of DME is required for beneficiaries of all ages, except where exempted for selected diagnostic codes.

The Program determines if the equipment is to be rented or purchased. Such determination includes consideration of cost versus benefit.

Oxygen

Oxygen is covered for the beneficiary residing in his/her home when medically necessary and when ordered by a physician.

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TN # 97-19

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of Michigan

AMOUNT, DURATION AND SCOPE OF MEDICAL AND REMEDIAL CARE
SERVICES PROVIDED TO THE CATEGORICALLY AND MEDICALLY NEEDY

- 4) Physical Therapy as described in 1.a
- 5) Occupational therapy services of a restorative nature, ordered in writing by a physician, are covered. Therapy services must be performed by a registered occupational therapist, or a certified occupational therapy assistant under the supervision of an occupational therapist. Occupational therapy services are covered for persons qualifying for Children's Special Health Care Services, or if part of the care plan for persons with severe disabilities, complex care needs or catastrophic illness. Services require prior authorization.
- 6) Speech therapy must be restorative and ordered by a physician, in writing. Services must be rendered by audiologists who have a Certification of Clinical Competency. Speech therapy must be part of the care plan for persons with severe disabilities, complex care needs or catastrophic illness. Services require prior authorization.

b. Excluded Services

"Non-covered care" under the Medical Assistance Program, i.e., care which is designed essentially to assist the individual in meeting the activities of daily living and does not require the additional services of trained medical or paramedical personnel.

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Supersedes
TN # 97-12

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of Michigan

POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES
(OTHER THAN INPATIENT HOSPITAL AND LONG-TERM CARE FACILITIES)

The State provides a Vaccine Replacement Program (VPR). Vaccines are provided free to enrolled Medicaid providers on a replacement basis to immunize Medicaid eligibles. Providers are reimbursed an enhanced administration fee to encourage their participation. Providers may also request the manufacturer's cost of vaccine if they elect not to participate in the VPR. The department establishes the reimbursement rate for purchased vaccine by allowing the lowest most commonly available cost to purchase the product in multiple dose units plus a nominal administration fee.

Outpatient hospital psoriasis treatment centers are reimbursed a rate based on estimated and historical costs of psoriasis treatment centers certified by the Medicaid single state agency. Reimbursement will be the lesser of the hospital's charges or the established Medicaid rate for the treatment episode. The rate includes all services that may be provided to the recipient, except physician services. Physician services are reimbursed separately as clinic visits. Outpatient hospital psoriasis services rendered to recipients who do not meet the specified admission criteria for the psoriasis treatment centers are reimbursed under the current fee for service program.

4. Home Health Agency Services

Reimbursement to home health agencies is made on a per visit basis in accordance with Medicaid's maximum fee schedule or the home health agency's usual and customary charge (acquisition cost for medical supply items), whichever amount is less.

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Supersedes

TN # 00-09

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of Michigan

POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES
(OTHER THAN INPATIENT HOSPITAL AND LONG-TERM CARE FACILITIES)

17. An EPSDT visit is paid a flat rate for the visit, and if the following are performed, reimbursement is made over and above the visit rate:

- urine test,
- hematocrit or hemoglobin,
- TB test,
- hearing test using a pure tone audiometer,
- developmental test,
- immunizations (Reimbursement is for administration if the vaccine is part of the vaccine replacement program. If the provider does not participate in the vaccine replacement program, or the vaccine is not part of the vaccine replacement program, reimbursement is made for the acquisition as well as for administration.)

EPSDT is paid on a weekly cycle through the invoice processing system using established HCPCS codes and the normal Medicaid methods.

Whenever an EPSDT component that has a HCPCS code is provided outside of an EPSDT package, it is billed under regular Medicaid. An example would be if the only service provided to a child is a developmental test, it is billed separately to Medicaid because there is no method for tracking the child to assure that the rest of the components are performed.

EPSDT visit rates are set under individual practitioner services for given HCPCS codes (See Attachment 4.19-B, Page 1, 1).

In consultation with providers of in-home blood lead investigations, we obtained costs and established an average to be used as the rate for the initial and follow-up epidemiological investigations. The in-home educational visit rate is the same as for a home health nurse visit.

The following services are covered when prior authorized by the single state agency:

- Private duty nursing – reimbursement will be made on a fee for service basis
- Religious non-medical health care nursing services (formerly Christian Science nursing services) – reimbursement will be made on a fee for service basis

Screening and preventive services' reimbursement is governed by the applicable category of the specific service.

Reimbursement for EPSDT support services is on a fee for service basis, within Medicaid established frequency limits, to providers that have been certified by the single state agency as qualified to provide these services.

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